



24th Annual Report 2010-2011

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NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of the Company will be held on Monday the 19th day of March 2012 at 11.00 A.M at Indian Textile Accessories & Machinery Manufacturers' Association, 4th Floor, Bhogilal Hargovindas Building, 18/20, K.Dubash Marg, Kala Ghoda, Mumbai – 400 001 to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2011 and the Profit and Loss Account for the 18 (eighteen) months ended 30th September, 2011 together with the Report of Directors' & Auditors' thereon.
2. To appoint a Director in place of Mr. Kailash Shahra who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Veer Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Vijay Kumar Mahajan who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of Next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

6. To Consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 316 Schedule XIII and other applicable provisions of the Companies Act, 1956 and such other approvals as may be required and such modifications and conditions, if any, as any authority may impose while according approval, which the Board of Directors is hereby authorized to accept, consent of the members, be and is hereby accorded for the re-appointment of Mr. Umesh Shahra as Managing Director of the Company for a further period of three years with effect from 1st October 2011, who is not liable to retire by rotation, and subject to the terms and conditions including the remuneration to be paid and provided to him as contained in the agreement entered into between Company and Mr. Umesh Shahra subject to approval of members in General Meeting.

RESOLVED FURTHER THAT the approval of the members of the Company be and is hereby accorded to the Board of Directors to alter and vary the terms and conditions of re-appointment and/or the agreement including remuneration payable in such manner as from time to time be stipulated by provisions of the Companies Act, 1956 read with Schedule XIII or any notification thereto, as may be agreed between the Board and Mr. Umesh Shahra.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any other persons authorized by the Board in this regard be and are hereby severally authorized to do all such acts and things as may be considered necessary and expedient in this regard."
7. To Consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 & 310 of the Companies Act, 1956, Schedule XIII thereto and other applicable provisions if any, appointment of Mr. Arvind Mishra as Whole Time Director of the Company for a period starting from 25th March 2011 upto 30th March 2011 be and is hereby approved and confirmed on the terms and conditions including those of remuneration as approved by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any other persons authorized by the Board in this regard be and are hereby severally authorized to do all such acts and things as may be considered necessary and expedient in this regard."
8. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT as per provisions of Section 149(2A) and all other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions in Articles of Association of the Company and Consent of the Members of the Company be and is



Notice

hereby accorded to commence businesses and activities under sub clause 53 and 83 of Clause (III) C of the Memorandum of Association of the Company as produced herein below in a manner not detrimental to the interest of existing business of the Company:

53. To carry on business as stockists, importers and exporters and dealers in all kinds of goods, supplier, commission agents and clearing and forwarding agents and to do any or all or any of the business of wholesale and retail in all kinds of merchandise including textiles, yarn, steel, spices, coals, oils, chemicals, dyes, grain cereals, industrial and Agricultural product, machineries equipment, tools, instruments and hardware.
83. To act as dealers, whole sellers, retailers, stockists, commission agents, representatives, selling agents, purchasing agents, distributors and brokers, exporters, importers, manufacturers, cultivator, farmers, processors, refiners of soyabean, groundnut, sesame seed, all other oil seeds, edible and non-edible oils, vanaspati, oil cakes, protein and protein foods.

FURTHER RESOLVED THAT Mr. Umesh Shahra, Managing Director of the Company and Mr. Vinay Gupta, Company Secretary of the Company be and are hereby severally authorized to do all such things and acts, as may be necessary and expedient in this regard including filing of necessary form and returns with the Registrar of Companies, Maharashtra."

By Order of the Board

Date : 18th February, 2012
Place : Indore

CS Vinay Gupta
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED AND INTENDED TO BE USED IT SHOULD BE RETURNED DULY COMPLETED TO THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE GENERAL MEETING.
2. Explanatory Statements pursuant to section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the business under Item No. 6 to 8 are annexed hereto. The relevant details as required by Clause 49 of the Listing Agreement, of persons seeking appointment/ re-appointment as Directors are also annexed.
3. Register of Members and Share Transfer Books of the Company will remain closed from 15th March, 2012 to 19th March, 2012 (both days inclusive).
4. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
5. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8th, 2011 and February 21st, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
6. The annual accounts of the subsidiary company and the related detailed information shall be made available to the shareholders of the holding company i.e. Ruchi Strips and Alloys Limited on demand. The annual accounts of the subsidiary company shall also be available for inspection by any shareholders in the head office of the company and of the wholly owned subsidiary company.

EXPLANATORY STATEMENT

Explanatory Statement under Section 173(2) of the Companies Act, 1956

ITEM NO.6:

Mr. Umesh Shahra was reappointed as Managing Director w.e.f 1st October 2008 for a period of three years and his term as Managing Director comes to end on 30th September 2011. Mr. Umesh Shahra has done PGDBM from IIM, Ahmedabad and B.Pharm from BITS, Pilani. Mr. Umesh Shahra has lead the Company successfully over a period. For sustaining growth and establishing the Company in leading position. The Board of Directors at their meeting held on 12th August, 2011 have reappointed Mr. Umesh Shahra as Managing Director of the Company for a period of 3 years w.e.f. 1st October, 2011 subject to the approval of the members of the Company as per following terms and conditions:

Basic Salary : Rs.1,50,000/- per month

Perquisites:

- i) Medical reimbursement – Equal to one month's salary in a year.
- ii) Leave Travel Concession – For self, wife and dependent children, once in a year to and from any place in India on actual basis subject to a ceiling of one month's salary in a year.
- iii) Club fees – Fees of clubs on actual basis excluding admission and life membership fees.
- iv) Personal Accident Insurance – Actual premium on Personal Accidental Insurance.
- v) Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
- vi) Contribution to Provident Fund, Superannuation or Annuity fund.
- vii) Payment of Gratuity at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of limits of the remuneration or perquisites aforesaid.

Other terms and conditions of Mr. Umesh Shahra, as Managing Director of the Company will be as per the agreements entered into between the Company and the Managing Director. This Agreement is available for inspection at the registered office of the Company during the office hours on all working days between 01.00 PM to 04.00 P.M. upto the date of Annual General Meeting of the Company.

Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of tenure of Mr. Umesh Shahra, Managing Director of the Company, if the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, allowances, perquisites etc. as specified above subject to restrictions set out in Schedule XIII of the Companies Act, 1956 or any other law or enactment for the time being or from time to time in force.

Mr. Umesh Shahra is also Managing Director of Indian Steel Corporation Limited engaged in same line of business. He has given a major contribution in the growth of Indian Steel Corporation Limited. He was appointed as Managing Director of the Company with unanimous consent of Board of directors and with the approval of members of the Company. His remuneration from both the Companies will be within maximum ceiling of the one of these Companies as permissible in accordance with the provisions of section II & III of part of Schedule XIII of the Companies Act, 1956 and will continue to get the remuneration from the Companies i.e. Ruchi Strips and Alloys Limited & Indian Steel Corporation Limited.

The reappointment of Mr. Umesh Shahra, if made, will be in accordance with the provisions of Schedule XIII of the Companies Act, 1956. Schedule XIII of the Companies Act, 1956 requires approval of members by way of Special Resolution for reappointment. The explanatory statement together with the accompanying notice should be treated as an abstract of terms of contract of appointment of the Managing Director in accordance with the provision of sub-section (2) of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the approval by the members by way of Special Resolution.

None of the Directors of the Company are interested except Mr. Umesh Shahra and Mr. Kailash Shahra (being father of Mr. Umesh Shahra).

ITEM NO.7:

Mr. Arvind Mishra was appointed as Whole-time Director w.e.f.25th March 2008 for a period of three years and his term as Whole-time Director ended on 24th March 2011. on remuneration mentioned below. Mr. Arvind Mishra has done B.E. (Mech.) and has experience of over 30 years in the industry. The Board of Directors at their meeting held on 12th February, 2011 had reappointed Arvind Mishra as Whole-time Director of the Company for a period of 3 years w.e.f. 25th March, 2011 subject to the approval of members of the Company as per following terms and condition:

Particulars	Amount in Rs.
i. Basic Salary	31,000/- per month
ii. House Rent allowances	15,500/- per month
iii. Conveyance	1,500/- per month
iv. Special Allowance	27,266/- per month
v. Children Education Allowance	2,600/- per month
vi. Performance pay	12,000/- per month
vii. Reimbursement of Magazine expenses subject to maximum of Rs.500/- per month.	
viii. Reimbursement of Medical expenses subject to maximum of one basic salary per year.	
ix. Leave Travel Allowance subject to maximum of one basic salary per year.	
x. Contribution to provident fund, bonus and gratuity as per rules of the Company.	
xi. Car with driver, fuel & maintenance.	

During the year in process of slump sale of steel division of the Company to its wholly owned subsidiary namely 'RSAL Steel Private Limited', employment of Mr. Arvind Mishra was transferred to 'RSAL Steel Private Limited' w.e.f.31st March 2011 and accordingly ceased to be Whole-time Director of the Company.

The appointment of Mr. Arvind Mishra, if confirmed, will be in accordance with the provisions of Schedule XIII of the Companies Act, 1956. Schedule XIII of the Companies Act, 1956 requires approval of members by way of Ordinary Resolution for reappointment.

The Board of Directors recommend the approval by the members of both the resolutions by way of Ordinary Resolution.

NONE of the Directors of the Company are interested except Mr. Arvind Mishra.

ITEM NO.8:

The Company has transferred its manufacturing facility / steel division on slump sale basis to its wholly owned subsidiary name 'RSAL Steel Private Limited' and is now carrying on trading activities.

Now your Board wishes to explore and if opportunities are found, wishes to enter in trading of agri-commodities sector, beside the existing line of business and generate income. The said activities are covered under Clauses 53 and 83 of Other Object Clause of Memorandum of Association.

According to provisions of Section 149(2A) of the Companies Act, 1956 for commencing any business mentioned in Other Object Clause, approval of members in the General Meeting by way of Special Resolution is required, thus the Board put the above resolution for your approval by way of Special Resolution.

None of the Directors of the Company are interested in this resolution.



Notice

Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Mr. Kailash Shahra	Mr. Veer Kumar Jain	Mr. Vijay Kumar Mahajan	Mr. Umesh Shahra	Mr. Arvind Mishra
Date of Birth	31/01/1931	12/04/1958	01/02/1952	07/06/1963	01/07/1960
Qualifications	B.Com.	B.Com, LLB	B.Sc Engg. (Production) Hons.	B.Pharma (Hons.) PGDB (IIMA)	B.E. (Mech.)
Directorships held in other Public Companies (excluding foreign Companies and Section 25 Companies)	<ul style="list-style-type: none">- Ruchi Soya Industries Limited- Anik Industries Limited- National Board of Trade Limited- National Steel & Agro Industries Limited- Indian Steel Corporation Limited- Federation of Indian Commodity Exchange Limited	<ul style="list-style-type: none">- National Steel & Agro Industries Limited	<ul style="list-style-type: none">- RSAL Steel Private Limited	<ul style="list-style-type: none">- Indian Steel Corporation Limited- Ruchi Corporation Limited- Ruchi Global Limited- Ruchi Acroni Industries Limited- Ruchi Infotech Limited- Indian Steel SEZ Limited- RSAL Steel Private Limited	<ul style="list-style-type: none">- Steel Technologies India Limited- RSAL Steel Private Limited
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	<ul style="list-style-type: none">- Shareholders Investors Grievance Committee- Ruchi Soya Industries Limited (Chairman)	-	-	<ul style="list-style-type: none">- Audit Committee- Indian Steel Corporation Limited (Member)	--
Number of Shares held in Company	NIL	NIL	NIL	NIL	NIL

Registered Office :
**611, Tulsiani Chambers,
Nariman Point,
Mumbai - 400 021
MAHARASHTRA**

**By order of the Board
For Ruchi Strips & Alloys Limited**

Date : 18th February, 2012
Place : Indore

Vinay Gupta
Company Secretary

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting 24th Annual Report together with Audited Statement of Accounts of the Company for the year ended 30th September, 2011.

1. OPERATIONAL PERFORMANCE	[Rs. in lacs]	[Rs. in lacs]
Financial Results	30.09.2011	31.03.2010
	(18 Months)	(12 Months)
Sales & Other Income	101349.61	67499.90
Gross Profit / (Loss)	3995.68	2907.53
Depreciation and Financial Charges	2341.09	2391.89
Profit / (Loss) before Tax	1654.59	515.64
Provision for Tax	329.77	15.97
Deferred Tax (Assets) / Liabilities	401.27	175.18
Profit after Tax	923.55	324.49
Exceptional Items	335.04	-
Profit after Exceptional Items	1258.59	324.49

2. SALE OF THE COMPANY'S STEEL DIVISION

The Steel Division of the Company required substantial funding for investment on up gradation and maintenance of equipments, quality improvements and improved customer service. The Company was finding it difficult to raise required resources due to the leveraged financial position and constraints of a listed entity. Therefore it was considered that restructuring the business into a separate unlisted wholly owned subsidiary would enable the Company to be more attractive to fund raising opportunities and/or combination with a strategic investor. Hence during the financial year 2010-11 on 30th March 2011, the Company has sold its Steel Division as a going concern with all Assets & Liabilities pertaining / apportioned to the Division on a 'Slump Sale basis' and on an as-is-where-is basis along with land to its wholly owned subsidiary Company namely RSAL Steel Private Limited. The slump sale was done for a consideration otherwise than in cash, received in form of 5,07,88,700, 5% Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each amounting to Rs.50,78,87,000/- (Rupees Fifty Crores Seventy Eight Lacs Eighty Seven Thousand Only). The Company had obtained necessary permission of members as per provisions of Section 293(1)(a) of the Companies Act, 1956 by way of Ordinary Resolutor passed by way of Postal Ballot.

3. DIVIDEND

Your Directors express their inability to recommend any dividend for the period under review, due to the need for conserving funds.

4. DIRECTORS

Mr. Kailash Shahra, Mr. Vijay Kumar Mahajan and Mr. Veer Kumar Jain, Directors retire by rotation in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible, offer themselves for re appointment.

During the current year, Shri Santosh Kumar Shahra, Vice-Chairman of the Company has resigned from the Board after serving for more than 21 years and Nomination of Mr. Suneet Shukla as a Nominee Director of the Company, was withdrawn by IFCIL Ltd. We sincerely appreciate and acknowledge the valued contribution made by them in the success and growth of the Company.

5. CORPORATE GOVERNANCE

Corporate Governance Report is enclosed as a part of Director's Report.

6. FIXED DEPOSITS

During the Financial Year, Company has accepted deposits in accordance with provisions of Section 58A of the Companies Act 1956 and rules made there under.

- 7. PREFERENTIAL ALLOTMENT OF 11,09,571 EQUITY SHARES**
The Board of Directors at their meeting held on 4th October, 2010 have allotted 11,09,571 equity shares of Rs. 10/- each at premium of Rs. 4.42 per equity share for cash on preferential basis to promoters and others and has complied with all applicable provisions.
- 8. DIRECTORS' RESPONSIBILITY STATEMENT**
Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Board confirms:
- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
 - that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
 - that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - that the Directors have prepared the Annual Accounts on a going concern basis.
- 9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO**
Details of Energy conservation and Research and Development activities undertaken by the Company along with the information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given as Annexure to this Report.
- 10. AUDITORS**
M/s Arun Maheshwari & Company, Chartered Accountants, Auditors of the Company hold office upto the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your board recommends their reappointment.
- 11. AUDITOR'S REPORT**
Auditor's Report is self-explanatory except qualification regarding consent Steel Division. The same has been explained in Note no.4(d) of Notes on Accounts.
- 12. LISTING AT STOCK EXCHANGES**
Company's Equity Shares continues to be listed on Bombay Stock Exchange Limited (BSE).
- 13. CEO & CFO CERTIFICATION**
The Board of Directors have received certificate from Managing Director and CFO under Clause 49(v) of listing agreement.
- 14. PARTICULARS OF EMPLOYEE'S**
None of the employee of the company was paid remuneration in excess of the limit. Therefore, the particulars of employees, as required by the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, as amended by the Companies (Amended) Act, 1988 are nil.
- 15. INDUSTRIAL RELATIONS**
Relations with the employees continued to remain cordial throughout the year. Your Directors wish to place on record their appreciation for sincere and dedicated services rendered by the executives, staff and workers at all levels.
- 16. ACKNOWLEDGEMENT**
The Directors wish to place on record their appreciation for the sincere cooperation extended by the shareholders, Bankers and all other Government Agencies in carrying out the business of the Company.

By order of the Board of Directors

Kailash Chandra Shahra
Chairman

Place: Indore
Date: 18th February, 2012

ANNEXURE TO THE DIRECTOR'S REPORT
ANNEXURE A

 Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 30th September, 2011.

FORM - A

Form for disclosure of particulars with respect to conservation of energy.

A. POWER AND FUEL CONSUMPTION

	2010-2011 (18 Months)	2009- (12 Mo 9402)
Production (MT)	94350.36	9402
1. Electricity		
a. Purchased Unit (KWH)	1425186	1317
Amount (Rs.in lacs)	711.19	61
Rate/Unit (Rs.)	4.99	
b. Own Generation		
(i) Through Diesel Generator	Nil	
(ii) Through Steam Generator	Nil	
2. Coal	Nil	
3. Furnace Oil	Nil	
4. Other		
(a) HSD		
Quantity (Ltrs.)	3180	
Total Amount (Rs.in lacs)	1.42	
Avg. Rate (Per Ltr.)	44.72	
(b) Kerosene		
Quantity (Ltrs.)	434702	35
Total Amount (Rs.in lacs)	141.4	
Avg. Rate (Per Ltr.)	32.53	
(c) L.P.G.		
Quantity (MMBTU Per.)	93719.25	89
Amount (Rs.in lacs)	378.60	3
Avg. Rate (MMBTU Per.)	404.00	

B. CONSUMPTION PER UNIT OF PRODUCTION (PMT)

Product : Cold Rolled Steel Strips/Sheet		
Electricity (KWH)	151.05	1
Others		
a. HSD (Ltrs.)	0.03	
b. LPG (MMBTU)	0.99	
c. Kerosene (Ltrs.)	4.61	

FORM - B

(Form for Disclosure of Particulars with respect to technology absorption)

RESEARCH & DEVELOPMENT (R & D)

The Company continues to work on its long range plans to improve and enlarge its product range. However, there was expenditure on research and development.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Barring a few components which are not available indigenously at competitive prices and of desired quality, the Company has every effort to indigenously develop the spares and components for the imported machinery as well as indigenous machinery to minimize the imports. Many components have been developed indigenously for the imported mill also at such lower cost as the company has successfully absorbed the technology.

During the Financial Year 2010-11 the Company has transferred its manufacturing facility to its wholly owned subsidiary "RSAL Private Limited".

FOREIGN EXCHANGE EARNINGS & OUTGO

The foreign exchange earned on export was Rs. 11164.82 lacs (Previous year 3951.63 lacs). The expenditure in foreign exchange during the year under review is Rs. 9.52 lacs (Previous year Rs. 1.60 lacs).

For and on behalf of the Board of Directors

 Kailash Chandra Shabra
 Chairman

 Place: Indore
 Dated: 18th February, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development:

Your Company was engaged in the business of servicing different industries with particular focus on Auto, White goods, electrical and general engineering segments. Company was manufacturing cold rolled steel coils and sheets of International Standards, in wide range, low carbon, mild steel CR products, in thickness ranging from 0.11 mm to 2.00 mm & up to a maximum width of 1000 mm.

2010-11 was a reasonably good year for your company. Though volume growth was not significant, prices and demand were stable upto March, 2011. Your company recorded production of 94350 MT upto March, 2011. The Company continued its focus on requirements of Automobile and Electrical Industries for special grade steels. We were able to sustain the momentum in special grades and were able to consolidate our position as a reliable supplier of high quality material..

Your company transferred its Steel Division to RSAL Steel Private Limited, a wholly owned subsidiary. This was done in order to facilitate raising of required resources for growth and sustainability of this business.

Your Company, while continuing to engage in trading of various products including Steel, is also exploring various other business opportunities.

Industry Outlook:

The effect of monetary measures taken by Reserve Bank of India to contain high inflation in the country had resulted in moderation of demand in the recent past. However, with indications of a softening in inflationary spiral, demand for steel has started showing an upward trend now. As per current trends, Steel industry is likely to have moderate growth in the immediate future.

Risk & Concerns:

If steel prices turns volatile, your company's profitability for this year can be affected. The service center concept being implemented by major Integrated Steel Manufacturer could affect our regional presence / logistical advantages.

High volatility and steep depreciation of the Rupee poses a serious challenge to profitability. This risk is mitigated to some extent by adopting appropriate hedging tools.

Internal Control Systems and Adequacy:

The company as well as its wholly owned subsidiary has good internal control systems, the adequacy of which has also been reported by its auditors in their report as required under the companies (Auditor's Report) Order, 2003 issued by the Central Government of India. Adequate system of internal control is in place of which assures us of:

- Proper recording and safeguarding of assets.
- Maintaining proper accounting record and reliability of financial information.

Environment Management System:

The company and its wholly owned subsidiary are committed to demonstrate continual improvement in our environmental performance in line with corporate values and stakeholder's expectations.

Development In Human Resources and Industrial Relation:

The Industrial relations climate of the company and its wholly owned subsidiary continues to remain harmonious and cordial with focus on improving productivity quality and safety.

Financial and Operating Performance:

During the period under review, the sales and other income was Rs. 1008.45 crores and gross profit was Rs.39.95 crores. The production of finished goods was 94350.361 MT upto March 2011. Since the operational results are for a period of 18 months, they are not comparable with previous year.

SEGMENT-WISE PERFORMANCE:

The segment-wise performance is available in Schedule S accounting policies and notes on accounts to the Audited Accounts of the Company.

Statements in this "Management Discussion Analysis" describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operation include raw material availability and prices, changes in government regulations, tax regimes, economic developments in India and the countries in which the Company conduct business and other incidental factors.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Ruchi Strips and Alloys Limited (RSAL) has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. We have always aimed to build trust with shareholders, employees, customers, suppliers and diverse stakeholders and to meet expectations of various elements of corporate environment. We believe in transparent and fair corporate actions with adequate disclosure and total accountability.

RSAL has been discharging its statutory obligations and duties and has always complied with statutory and regulatory requirements. Given below are the company's corporate governance policies and practices in accordance with the provisions of Clause 49 of the Listing Agreement.

A report on implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below:-

1. **Company's Philosophy on Corporate Governance**
Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.
2. RSAL Board presently consists of a majority of non-executive/independent directors, many of whom are acknowledged as leading professionals in their respective fields. The Board comprises of One (1) Executive Director, Two (2) Non-Executive Directors, four (4) Independent Directors and one (1) Professional Director.

Name of Director	Executive/Non-Executive/Independent	No. of other Directorship ¹ (Chairman)	Membership of other Board Committees (Chairman)
Mr. Kailash Chandra Shahra	Non-Executive	6(5)	2(1)
Mr. Arvind Mishra	Non-Executive	2	-
Mr. Umesh Shahra	Executive	10	2(1)
Mr. Santosh Kumar Shahra ²	Non-Executive	8(5)	-
Mr. Ashok Khasgiwala	Professional	-	-
Mr. Veer Kumar Jain	Independent	1	-
Mr. Navin Khandelwal	Independent	5	3(3)
Mr. Manish Jain	Independent	-	-
Mr. Suneet Shukla ³ (IFCI Nominee)	Independent	1	-
Mr. Vijay Kumar Mahajan	Independent	1	-

- (1) This includes directorship held in Public Limited Companies and subsidiaries of Public Limited Companies and excludes directorship held in Private Limited Companies, Section 25 Companies of the Companies Act, 1956 and Foreign Companies.
- (2) Mr. Santosh Kumar Shahra resigned from directorship w.e.f. 23rd August, 2010.
- (3) Nomination of Mr. Suneet Shukla as director was withdrawn by IFCI Limited w.e.f. 15th December, 2010.

Attendance of Directors in Board Meetings and Annual General Meeting

The Board of the Company met Ten times during the last financial year, on the following dates:

(1) 15 th May, 2010	(2) 29 th May, 2010	(3) 6 th August, 2010
(4) 25 th August, 2010	(5) 4 th October, 2010	(6) 12 th November, 2010
(7) 14 th December, 2010	(8) 12 th February, 2011	(9) 13 th May, 2011
(10) 12 th August, 2011		

The attendance at the Board Meetings and Annual General Meeting were as under:

Name of Director	Attendance	
	Board Meeting	AGM
Mr. Kailash Chandra Shahra	1	X
Mr. Santosh Kumar Shahra	4	X
Mr. Umesh Shahra	8	✓
Mr. Arvind Mishra	9	X
Mr. Ashok Khasgiwala	8	✓
Mr. Veer Kumar Jain	2	X
Mr. Navin Khandelwal	8	✓
Mr. Manish Jain	9	✓
Mr. Suneet Shukla (IFCI Nominee)	4	X
Mr. Vijay Kumar Mahajan	10	✓

3. Remuneration to Directors

(a) During the financial year 2010-11, the particulars of remuneration paid to Mr. Umesh Shahra, Managing Director and Mr. Arvind Mishra, Executive Director of the Company are as under:

Sr. No.	Particulars of remuneration	Mr. Umesh Shahra	Mr. Arvind Mishra
1.	Salary	Rs. 21,60,000/-	Rs. 3,71,000/-
2.	Allowances	Rs. 6,24,852/-	Rs. 8,25,619/-
3.	Contribution to Provident Fund	Rs. 2,59,200/-	Rs. 44,520/-

(b) During the financial year 2010-11, sitting fees paid to Non-Executive Directors amounted to Rs. 1,66,000/-

4. Audit Committee

Audit Committee met Seven times during the financial year 2010-11. The dates are as follows:-

(1) 14 th May, 2010	(2) 29 th May, 2010	(3) 6 th August, 2010
(4) 10 th November, 2010	(5) 11 th February, 2011	(6) 12 th May, 2011
		(7) 11 th August, 2011

The constitution of the Committee and the attendance of each member of the Committee during financial year 2010-11 are given below:-

Name	Designation	Non-executive/ Independent	Profession	Committee Meetings Attended
Mr. Navin Khandelwal	Chairman	Independent Director	Chartered Accountant	7
Mr. Ashok Khasgiwala	Member	Professional Director	Chartered Accountant	1
Mr. Veer Kumar Jain	Member	Independent Director	Advocate	7

The terms of reference of Audit Committee includes the following :

- To hold periodic discussions with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- To review compliance with internal control systems;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board ;
- To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary ;
- To make recommendations to the Board on any matter relating to financial management of the Company, including the Audit Report.

5. Share Transfer & Investors Grievance Committee

Share Transfer & Investors Grievance Committee met Six times during the financial year 2010-11. The dates are follows :-

- | | | |
|------------------------------------|---------------------------------|-----------------------------------|
| (1) 5 th April, 2010 | (2) 3 rd July, 2010 | (3) 6 th October, 2010 |
| (4) 15 th January, 2011 | (5) 6 th April, 2011 | (6) 8 th July, 2011 |

The constitution of the Committee during financial year 2010-11 is given below :-

Name	Designation	Executive/Non-executive/Independent
Mr. Manish Jain	Chairman	Independent
Mr. Arvind Mishra	Member	Non-Executive
Mr. Veer Kumar Jain	Member	Independent Director

The committee specifically looks into the shareholders and investors complaints. In addition, the committee also looks into matters, which can facilitate better investor services and relations.

During the period under review the committee had reviewed the status of investor services rendered by the company. Mr. Vinay Gupta is Compliance Officer of the Company. Committee discussed the various reports placed before it regarding the investor complaints and queries.

During the financial year 2010-2011, the company had received total 24 complaints, out of which 6 complaints related to non receipt of Annual Report, 11 complaints related to non receipt of Share Certificate, 3 complaints for non receipt of Dividend Warrant and 4 complaint related to non receipt of Shares. All the complaints have been resolved to the satisfaction of the Shareholders and no complaint was pending as on 30th September, 2011.

6. Remuneration Committee

Remuneration committee met three times during the financial year 2010-11. The dates are as follows :-

- | | | |
|--------------------------------|-------------------------------------|-----------------------------------|
| (1) 29 th May, 2010 | (2) 12 th February, 2011 | (3) 12 th August, 2011 |
|--------------------------------|-------------------------------------|-----------------------------------|

The constitution of the committee with attendance during financial year 2010-11 is given below :-

Name	Designation	Executive / Non-executive / Independent
Mr. Vijay Kumar Mahajan	Chairman	Independent
Mr. Suneet Shukla*	Member	Independent
Mr. Manish Jain	Member	Independent
Mr. Navin Khandelwal#	Member	Independent

The remuneration policy is directed towards rewarding performance based on review of achievement on periodic basis. The remuneration policy is in consonance with the existing industry practice.

* Mr. Suneet Shukla (IFCI Nominee) withdrawn as Director of the Company w.e.f. 15th December, 2010;

Mr. Navin Khandelwal was appointed as member of the Committee w.e.f. 12th February, 2011.

7. Information of General Body Meetings

Location and time of AGMs/ EGMs held during the last three years are as follows :-

Year	AGM/EGM	Location	Date	Time
2009-10	AGM	Indian Textile Accessories & Machinery Manufacturers' Association, 2 nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda	21.09.2010	11.30 A.M.
2009-10	EGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	11.01.2010	11.30 A.M.
2008-09	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	30.09.2009	03.00 P.M.
2007-08	AGM	Sunvile Deluxe Pavilion, Sunvile Building, 9, Dr. Annie Besant Road, Worli, Mumbai	30.09.2008	04.00 P.M.

An Ordinary resolution dated 5th March, 2011, was passed by the company vide Postal Ballot in order to sell steel division of the Company to its wholly owned subsidiary Company namely RSAL Steel Private Limited.

Mr. Anish Gupta, Practicing Company Secretary conducted the postal ballot as the Scrutinizer of the company.

Following is the details of voting pattern through Postal Ballot:

Particulars	No. of Shares (Voted)	Percentage to the total capital	Percentage to the total postal ballot received
Votes assented by shareholders	3,85,37,989	77.083%	99.991%
Votes dissented by the shareholders	3,400	0.007%	0.009%

- A Special resolution was passed in the Extra-Ordinary General Meeting held on 11th January, 2010, re-classifying the existing Authorized Share Capital of the Company.
- A Special resolution was passed in Annual General Meeting held on 30th September 2009, to commence or carry on business and activities under sub-clause 96-102 of clause (III) C of the Memorandum of Association of the Company.
- A Special resolution was passed in Annual General Meeting held on 30th September 2008, Re-appointing Mr. Umesh Shahra as Managing Director of the Company.

8. Disclosures

- a. Transactions with Promoters, Directors and their relatives, Management or their subsidiaries, etc.

The Company sold its Steel Division as a going concern with its Assets & Liabilities on 'Slump Sale basis' and on an as-is-where-is basis to its wholly owned subsidiary Company namely RSAL Steel Private Limited, together with the rights, title and interest along with all licenses, registrations, permissions and like in the immovable, moveable and intangible assets, in accordance with Ordinary Resolution passed by members of the Company vide postal ballot for a consideration of Rs. 47,51,00,000/- (Rupees Forty Seven Crores Fifty One Lacs Only) which was received in form of 4,75,10,000/- 5% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only).

The Company has not entered into any transaction of material nature with the Promoters or Directors and/or their relatives or Management and/or their subsidiaries etc., that may have any potential conflict with the interests of the Company. The transactions of purchase and sale of goods, materials and services made in respect of above parties have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services as available with the Company or the prices at which transactions for similar goods, materials or services have been made with other parties.

- b. Compliance by the Company

The Company has complied with requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets during last three years.

9. Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The Code of Conduct is available on the website of the company www.ruchistrips.com. The declaration of the Managing Director is given below

To,
The Shareholders,
Ruchi Strips & Alloys Limited

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed with Code of Conduct adopted by the Board of Directors.

Place: Indore
Dated : 5th January, 2012

Umesh Shahra
Managing Director

10. Communication to Shareholders

Quarterly financial results for the Financial Year 2010-11 were published in the newspapers namely Free Press Journal & Navshakti (both Mumbai Edition). RSAL has its own website, www.ruchistrips.com on which important public domain information are posted. All financial and other vital official news releases are also properly communicated to the concerned Stock Exchange as besides being placed on the website.

11. General Shareholder Information

Annual General Meeting : Date : 19th March, 2012
Time : 11.00 A.M.
Venue : Indian Textile Accessories & Machinery Manufacturers' Association,
4th Floor, Bhogilal Hargovindas Building,
18/20, K. Dubash Marg, Kala Ghoda, Mumbai-400001

Financial Calender 2011-12

Adoption of Quarterly Results of the Quarter ended	1 st /2 nd week of
December 31, 2011	February, 2012
March 31, 2012	May, 2012
June 30, 2012	August, 2012
September 30, 2012	November, 2012

Annual General Meeting
for the year ending September 30, 2011: 19th March, 2012

Book closure Dates : 15th March, 2012 to 19th March, 2012
(Both days inclusive)

Dividend Payment Date : No dividend is declared for the year 2010-11

12. Listing on Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange, Mumbai (BSE).

Stock Code

Bombay Stock Exchange, Mumbai : 513295 (Physical)
INE611C01012 (Demat)

Registrar & Transfer Agent : M/s Sarthak Global Limited
Avanti House, 170/10, Film Colony, RNT Marg, Indore-452001 (M.P.)

Plant Location : Village - Sejwaya,
Ghatabillood
Dist. Dhar - 454 773 (M.P.)
(Plant has been transferead along with steel division to wholly owned subsidiary "RSAL Steel Private Limited on slump sale basis).

Address of Correspondence : 611, Tulsiani Chambers, Nariman Point, Mumbai-400021

Dematerialization of shares : 85.70% of the total equity capital is held in Dematerialized form with National Security & depository Ltd. and Central Depository Services (India) Limited as on 30th September, 2011.

Outstanding ADRs/GDRs : The Company has not issued any ADRs/GDRs

13. Market Price Data (Rs.)

High, low market price on Bombay Stock Exchange Ltd. (BSE) during each month in the last financial year.

Period	High (Rs.)	Low (Rs.)
April, 2010	17.10	13.00
May, 2010	15.90	13.00
June, 2010	16.26	13.10
July, 2010	17.45	14.15
August, 2010	15.75	13.25
September, 2010	18.35	14.35
October, 2010	23.50	16.50
November, 2010	31.30	18.05
December, 2010	22.95	16.50
January, 2011	24.70	17.75
February, 2011	19.95	16.15
March, 2011	20.35	17.25
April, 2011	24.70	18.60
May, 2011	24.00	16.00
June, 2011	19.00	14.30
July, 2011	16.95	14.10
August, 2011	15.35	11.50
September, 2011	16.24	13.05

14. Distribution of Shareholding as on 30th September 2011

Shareholding		Share Holders		Total Number of Shares	% of Shareholding
Rs.	Rs.	Number	% of Total		
Upto	2500	18,124	77.387	22,86,721	4.574
2501	5000	3,539	15.111	14,12,050	2.824
5001	10000	1,079	4.607	9,24,844	1.850
10001	20000	355	1.516	5,56,696	1.113
20001	30000	102	0.436	2,63,726	0.527
30001	40000	32	0.137	1,17,384	0.235
40001	50000	57	0.243	2,73,024	0.546
50001	100000	55	0.235	4,15,560	0.831
100001	& above	77	0.329	4,37,45,696	87.499
TOTAL		23,420	100.00	4,99,95,701	100.00

15. Share Transfer System

The Registrar & Share Transfer Agent M/s Sarthak Global Limited deals with Share Transfer both in physical and dematerialized mode. The dematerialized Shares are transferable through the depository system. Shares in physical form are processed by the R & TA and approved by Share Transfer and Investors Grievance Committee of Board of Directors of the Company. Physical Shares are transferred within stipulated time.

16. Shareholding Pattern and Distribution of Shareholding

 Shareholding pattern as on 30th September, 2011 :

Category	No. of Shares held	% of Shareholding
1. Promoter's Holding including Foreign promoters	1,56,93,651	31.39000
2. NRIs/OCBs/FIIs	1,34,368	0.26876
3. Banks, FIs, Mutual Funds	80,300	0.16061
4. Indian Corporate Bodies	2,51,17,396	50.2391
5. Indian Public	89,69,986	17.94151
TOTAL	4,99,95,701	100.00000

17. Dematerialisation of shares and liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository systems, of both NSDL and CDSL.

CERTIFICATE

To
The Members of
Ruchi Strips and Alloys Ltd.,

We have reviewed the compliance of the conditions of Corporate Governance by Ruchi Strips & Alloys Ltd. for the year ended September 30, 2011 as stipulated in Clause 49 of the listing agreement of the said Company with Stock Exchange in India.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that there are no investor grievances pending as on 30th September 2011 as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

CA Arun Maheshwari
Proprietor
Membership No. 70354

Place : Indore
 Date : 11th February, 2012



Standalone Financial
Statements
Auditor's Report

AUDITOR'S REPORT

To,

The Members of Ruchi Strips and Alloys Limited

1. We have audited the attached Balance Sheet of Ruchi Strips and Alloys Limited as at 30th September, 2011 and the annexed Profit and Loss Account and the Cash Flow Statement for the 18-months period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 30th September, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th September, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, said accounts **subject to note no. 4 of schedule "S" regarding the transfer of its steel division (manufacturing) to its wholly owned subsidiary on slump sale basis, for which company has received consent/approval from lender banks except State Bank of India whose permission is awaited** give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2011;
 - ii. in the case of Profit & Loss Account, of the Profit for the period ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For **ARUN MAHESHWARI & CO,**
Chartered Accountants
(Firm Reg. No. 0870C)

CA Arun Maheshwari
Proprietor
Membership No. 70354

Place: Indore
Date : 18th February, 2012

ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date.

- i. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
 - c. During the period under review, the Company has disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the company is not affected as the company continues the trading activities.
- ii. In respect of Inventories:
 - a. The management has conducted physical verification of inventory at reasonable intervals during the period under review.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. According to the information and explanations given to us, the Company has neither granted nor taken any loan secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clauses iii(b), iii(c), iii(d) and iii(f), iii(g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system in respect of these areas.
- v.
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of the Rupees Five Lakhs have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has accepted deposits from public and complied with the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of accounts and records in respect of manufacturing of cold rolled strips/sheets maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 209(1)(d) of the Companies Act. We are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not, made a detailed examination of such accounts and records with a view to determine whether they are accurate or complete.
- ix.
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it, except slight delay in a few cases. There were no arrears as at 30th September, 2011 for a period of more than six months from the date they became payable.
 - b) According to the records of the company and information and explanation given to us, particulars of dues of sales tax, income tax, custom duty, service tax, wealth tax, excise duty and cess which have not been deposited with appropriate authorities on account of any dispute, are as under:-

Details of disputed Statutory dues as on 30.09.2011 on account of matter pending before appropriate authorities

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs in lacs)	Period to which amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	6.76*	1989-1990	Restored to CIT (A) by ITAT, Mumbai

* Demand adjusted against refund due to the Company.

- x. The Company has no accumulated losses as at 30th September, 2011 and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not raised any term loan during the year under audit.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act during the year.
- xix. According to the information and explanations given to us, the Company has already created security or charge in respect of debentures issued in earlier years. No debentures have been issued during the year.
- xx. The Company has not raised money by public issues during the year.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For **ARUN MAHESHWARI & CO,**
Chartered Accountants
(Firm Reg. No. 0870C)

CA Arun Maheshwari
Proprietor
Membership No. 70354

Place: Indore
Date : 18th February, 2012

BALANCE SHEET AS AT 30th SEPTEMBER, 2011

Schedule	Rs. in Lacs	As at 30.09.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	A	5001.28	5491.71
b) Reserves & Surplus	B	790.13	4266.86
		<u>5791.41</u>	<u>9758.57</u>
2. Loan Funds			
a) Secured Loan	C	-	7676.11
b) Unsecured Loan	D	250.00	276.82
		250.00	<u>7952.93</u>
TOTAL		<u>6041.41</u>	<u>17711.50</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	E	0.89	13268.45
b) Less: Depreciation		0.29	5383.60
c) Net Block		0.60	7884.85
2. Investments			
	F	5095.87	15.00
3. Current Assets, Loans and Advances			
a) Inventories	G	43.70	13464.67
b) Sundry Debtors	H	8048.79	9667.12
c) Cash and Bank Balances	I	22.19	1979.48
d) Other Current Assets	J	98.88	820.10
e) Loans and Advances	K	437.52	989.02
		8651.08	<u>26920.39</u>
4. Less: Current Liabilities and Provisions			
a) Current Liabilities	L	7927.39	18732.94
b) Provisions		354.42	104.35
Net Current Assets		369.27	8083.10
5. Deferred Tax Assets-Net			
		575.67	641.90
6. Profit and Loss Account			
	M	-	1086.65
TOTAL	S	<u>6041.41</u>	<u>17711.50</u>
Significant Accounting Policies and Notes on Accounts			

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

PROFIT AND LOSS ACCOUNT FOR 18 MONTHS ENDED 30th SEPTEMBER 2011

Schedule	Rs. in Lacs	2010-2011 Rs. in Lacs	2009-2010 Rs. in Lacs
1. INCOME			
Sales and Services	N	104679.62	69483.71
Less:Excise Duty		3834.02	2594.21
Other Income	O	704.01	610.40
TOTAL		101549.61	67499.90
2. EXPENDITURE			
Materials	P	92396.40	60227.83
Expenses	Q	5157.53	4364.54
Financial Charges	R	1996.40	1968.15
Depreciation	E	673.37	810.84
Less : Transferred from revaluation reserve		328.68	387.10
TOTAL		99895.02	66984.26
Profit / (Loss) for the year before tax		1654.59	515.64
Provision for taxation			
Current Tax		329.77	15.97
Deferred Tax		401.27	175.18
Profit/ (Loss) after tax		923.55	324.49
Add : Exceptional items Note No. B-15 of Schedule S)		335.04	-
Profit / (Loss) after exceptional items		1258.59	324.49
Add: Transfer from Debenture Redemption Reserve		9.17	14.00
Add: Balance Brought forward from previous year		(1086.65)	(1425.14)
Amount available for appropriation		181.11	(1086.65)
Balance carried to Balance Sheet		181.11	(1086.65)
Basic and Diluted Earning Per Share (Note No. B-10) Rs.		2.00	1.04
Significant Accounting Policies and Notes on Accounts	S		

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

**SCHEDULE "A" TO "S" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30th SEPTEMBER, 2011 AND
THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30th SEPTEMBER, 2011.**

	Rs. in Lacs	As at 30.09.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE :A - SHARE CAPITAL			
Authorised			
5,02,50,000 Equity shares of Rs.10/- each. (Previous year 4,80,00,000)	5025.00		4800.00
17,00,000 5% non cumulative redeemable preference share of Rs. 100 each. (Previous Year 17,00,000)	1700.00		1700.00
		6725.00	6500.00
Issued and Subscribed			
5,00,29,901 Equity shares of Rs.10/-each (Previous Year 3,89,34,200 Equity shares)		5002.99	3893.42
Paid-Up			
(a) 4,99,95,701 Equity shares of Rs. 10/- each (Previous year 3,89,00,000 Equity Shares of Rs. 10/- Each) Fully paid-up Add : Amount paid on forfeited shares		4999.57 1.71	3890.00 1.71
*Refer note no. 3 of Schedule S (Of the above 13,00,000 (Previous Year 13,00,000) Equity, Shares of Rs. 10/- each alloted for consideration other than cash)		5001.28	3891.71
(b) Nil 5% non cumulative redeemable preference shares of Rs. 100 each (Previous Year 16,00,000 5% Non-cumulative redeemable preference shares of Rs. 100/- each)		-	1600.00
		5001.28	5491.71
SCHEDULE:B - RESERVES AND SURPLUS			
(a) Capital Reserves as per last Balance Sheet		10.00	10.00
(b) Debenture Redemption Reserves Since Last year	9.17		23.17
Transfer to Profit & Loss Account	9.17	-	14.00
(c) Share premium account Since last year	108.60		8.35
Add: Received during the year	490.42	599.02	100.24
(d) Profit and Loss Account Balance		181.11	-
(e) Revaluation reserve As per last Balance Sheet	4139.10		4526.20
Less : Transferred to profit and loss account	328.68		387.10
Less : Reversed on Sale of assets	3810.42	-	4139.10
		790.13	4266.86
SCHEDULE: C - SECURED LOANS			
A. Debentures			
Redeemable Non-Convertible Debentures		-	18.33
B. Term loans			
(i) From Banks			
(a) State bank of India	-		3993.46
(b) State bank of Indore	-		302.87
(ii) From Financial Institutions	-	-	122.92
C. Working Capital Loans			
From Banks		-	3238.53
		-	7676.11

NOTES:

- The Redeemable Non-Convertible Debentures, privately placed with IFCI Limited, has been fully redeemed in January, 2011 as per terms of the issue.
- Working Capital Term loans from State bank of India is secured by first pari passu charge over the company's entire fixed assets and second charge over current assets including finished goods, receivable and other current assets, and personal guarantee of two directors and another.
 - Working capital term loan from State Bank of India (formerly State Bank of Indore) is secured by first pari passu charge over the company's entire fixed assets and personal guarantee of one director and another.
 - Term loan from State Bank of India is secured by first pari passu charge over the company's entire fixed assets and personal guarantee of one director.
 - Term loan from Allahabad Bank is secured by first pari passu charge over the company's entire fixed assets and personal guarantee of two directors.
- Working capital loan facilities from Banks are secured by hypothecation of entire stocks of raw materials, stock in process, finished goods, stores and spares, stock in transit, book debts and second charge by way of mortgage on all immovable properties together with building and other structures thereon and all plant and machineries attached to the earth and personally guaranteed by one director and another.

	As at 30.09.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
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SCHEDULE: D - UNSECURED LOANS

(a) Inter corporate Deposits	220.00	194.32
(b) Fixed deposits	30.00	82.50
(Due within next 12 months Rs. 30.00 lacs)	250.00	276.82

SCHEDULE: E- FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions	Adjustments (Revaluation)*	Deductions	As at 30.09.2011	Upto 31.03.2010	For the Year**	on Deductions	Upto 30.09.2011	As at 30.09.2011	As at 31.03.2010
Freehold land	446.65	-	364.66	81.99	-	-	-	-	-	-	446.66
Buildings	1658.06	-	404.21	1253.85	-	464.10	49.10	513.20	-	-	1193.96
Plant & Machinery	10789.50	-	3041.55	7747.95	-	4679.69	605.48	5285.17	-	-	6109.81
Furniture & Fixtures	107.15	0.57	-	107.51	0.21	72.90	3.19	75.89	0.20	0.01	34.25
Office Equipments	175.11	7.29	-	181.72	0.68	123.46	8.51	131.88	0.09	0.59	51.65
Vehicles	91.98	-	-	91.98	-	43.45	7.09	50.54	-	-	48.52
Total	13268.45	7.86	3810.42	9465.00	0.89	5383.60	673.37	6056.69	0.29	0.60	7884.85
Previous Year	13234.23	46.89	-	12.67	13268.45	4580.72	810.84	7.96	5383.60	7884.85	

* Adjustment represents reversal of balance of revaluation reserve, after charging depreciation upto the date of sale of assets.

** Depreciation for the year includes Rs. 328.68 lacs transferred to revaluation reserve.

SCHEDULE : F - INVESTMENTS (at cost)

Long Term Investments (Other than trade, Unquoted)

In Shares

(i) in subsidiary company

(a) 10,000 Equity Share of RSAL Steel Private Limited

1.00

-

(b) 50,78,870 5% Non-cumulative Redeemable Preference Shares of Rs. 100/- each fully paid in RSAL Steel Private Limited

5078.87

-

(ii) in others

(a) 1,50,000 Equity Shares of Rs. 10 each fully paid in Ruchi Global Limited

15.00

15.00

(b) 10,000 Equity Shares of Rs. 10/- each fully paid in NICPL Infralinks Pvt. Ltd.

1.00

-

5095.87

15.00

	As at 30.09.2011 Rs. in Lacs	As at 31.03.2010 Rs. in Lacs
SCHEDULE: G - INVENTORIES		
[As certified and valued by the management]		
(a) Stores, Spares & Packing material	-	275.32
(b) Raw materials	-	9214.77
(c) Work in Progress	-	1861.43
(d) Finished Goods	-	1988.61
(e) Scrap	-	124.54
(f) Stock in trade	43.70	-
(At lower of cost or net realisable value, except scrap valued at net realisable value)	43.70	13464.67
SCHEDULE: H - SUNDRY DEBTORS		
(Unsecured, considered good)		
Over six months	-	723.44
Other Debts	8048.79	8943.68
Refer Note no. 17 & 18 of Schedule S	8048.79	9667.12
SCHEDULE: I - CASH AND BANK BALANCES		
Cash on hand	1.38	4.20
Balances with Scheduled Banks		-
(a) In Current Accounts	8.12	536.25
(b) In Deposit Accounts	12.69	1439.03
	22.19	1979.48
SCHEDULE: J - OTHER CURRENT ASSETS		
(a) Interest Receivable	-	23.43
(b) Other Receivable	98.88	796.67
	98.88	820.10
SCHEDULE: K - LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Advances recoverable in cash or in kind or for value to be received.	81.49	546.33
(b) Deposit with Govt. Departments.	-	246.30
(c) Deposit with Others	-	19.14
(d) Advance Income Tax (Including TDS)	356.03	177.25
	437.52	989.02
SCHEDULE: L - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
(a) Sundry creditors	7827.84	16576.02
(b) Customer's credit balances	20.00	1669.39
(c) Other liabilities	79.55	482.10
(d) Interest accrued but not due on loans	-	5.44
	7927.39	18732.95
PROVISIONS		
(a) Provision for employee benefits	0.58	48.95
(b) Provision for taxation	353.84	55.39
	354.42	104.35

	Current Period		Previous Year
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
SCHEDULE : M- PROFIT & LOSS ACCOUNT			
Profit and Loss Account Balance		-	(1086.65)
SCHEDULE : N- SALES AND SERVICES			
Sales		104485.64	69383.30
Job Processing Charges (Gross)		193.98	100.41
{Tax deducted at source Rs. 3.08 Lacs}			
(Pre.year Rs. 2.08 Lacs)		104679.62	69483.71
SCHEDULE : O - OTHER INCOME			
Insurance claims received		11.98	0.77
Foreign Exchange Fluctuation (Net)		-	437.31
Miscellaneous Income		40.59	19.63
Interest received		127.57	152.69
{Tax deducted at source Rs. 15.61 lacs (prev. year Rs. 20.01 lacs)}			
Profit on sale of Fixed Assets		523.87	-
		704.01	610.40
SCHEDULE: P - MATERIALS			
(a) Raw materials consumed		28797.04	26537.77
(b) Purchase of Semi processed goods		14567.90	13939.76
(c) Purchase of Traded goods		45286.72	19141.39
(d) Variation in Stocks			
Stock at close :			
Stock in trade		43.70	-
Finished goods		-	1988.62
Work-in-progress		-	1861.42
Scrap		-	124.54
		43.70	3974.58
Less : Stock at commencement			
Stock in trade		-	-
Finished goods		1988.62	1223.30
Work-in-progress		1861.42	3202.07
Scrap		124.54	45.69
		3974.58	4471.06
Add/Less: Increase/decrease in Excise duty on closing stock of finished goods		(186.14)	112.43
		3744.74	608.91
		92396.40	60227.83

	Current Period		Previous Year
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
SCHEDULE : Q - EXPENSES			
Power and Fuel		1232.62	1040.68
Consumption of Stores, Spares & Packing Materials		643.35	510.21
Processing Charges		126.57	134.51
Repairs:			
Building	11.01		12.74
Plant & Machineries	16.03		13.50
Others	77.35	104.39	38.34
Salaries, Wages and Bonus		879.70	733.41
Contribution to Provident & Other Funds		33.65	29.98
Workmen and Staff Welfare		52.19	33.55
Rent		24.44	20.77
Rates & Taxes		2.46	1.08
Insurance		24.07	20.36
Freight and forwarding charges		1561.12	1274.65
Export Expenses		129.68	117.62
Travelling & Conveyance		95.93	78.78
(Including Rs. 2.67 lacs to Directors (prev.year Rs.4.72 lacs))		-	-
Loss on sale of fixed Assets		-	0.80
Exchange fluctuation		6.52	-
Other Expenses		240.84	303.56
		5157.53	4364.54
SCHEDULE: R - FINANCIAL CHARGES			
Interest:			
On Debentures and Other Fixed Loans	474.33		526.70
Others	1052.65	1526.98	1574.54
Bank Commission & Charges		469.42	393.61
		1996.40	1968.15

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30th SEPTEMBER, 2011 AND
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE**

SCHEDULE : S- ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

a) Accounting concept

- i) The Company follows the mercantile system of the accounting and recognises income and expenditure on accrual basis.
- ii) Financial statement are based on historical cost convention.

b) Sales

Sales are inclusive of income from services, excise duty, export incentives and net of trade discount and rebates.

c) Fixed Assets

- i) Fixed Assets
Fixed assets are stated at cost of acquisition or construction less accumulated depreciation (except free hold land). Assets which have been revalued are stated at values as per approved valuer's report less depreciation.
- ii) Capital Expenditure
Assets under erection/installation and advances given for capital expenditure are shown as "Capital work in progress". Expenditure during construction period is shown as "Pre-operative expenses" to be capitalised on erection/installation of the assets.

d) Depreciation

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

e) Borrowing cost

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

f) Inventories

- i) Inventories are valued at lower of cost or net realisable value on FIFO basis except Goods in transit which is stated at cost and value of stores, spares, consumables and packing materials are arrived at on Moving Average Price basis. Cost of inventories generally comprise all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Finished goods lying in the factory premises are valued inclusive of excise duty.
- ii) Scrap at net realisable value.
- iii) Custom Duty.
The liability on account of Custom duty on imported materials in transit or in bonded warehouse is recognised on clearance of the goods from the Customs.

g) Investments

Long term investments are stated at cost with an appropriate provision for permanent diminution in value.

h) Export incentives/Benefits

Export incentives or benefits under the Export Import Policy are accounted in the year of exports on accrual basis taking into account certainty of realization and its subsequent utilization.

i) Foreign Currency Transactions

Transaction in Foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Current assets and Current liabilities not covered by forward contract are translated at the year end exchange rate and any gain/loss on account of fluctuation in the rate of exchange is recognised in profit and loss account. Premium / Discount in respect of forward foreign exchange contract is recognised over the life of the contract.

j) Contingent liabilities not provided for are disclosed by way of notes.

k) Segment Accounting

(1) Segment Accounting Policies:-

Accounting policies followed by the company for segment reporting are:-

- (a) Segment revenue includes sales and other income directly identifiable with/allocable to segment.
 - (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. The expenses, which relate to the company as a whole and not allocable to segment, are included under unallocable expenses.
 - (c) Income which relates to the company as a whole and not allocable to segment is included under unallocable income.
 - (d) (i) Segment Assets includes those assets directly identifiable with respective segments and employed by a segment in its operating activities, but does not include income tax assets.
(ii) Segment liabilities includes those liabilities directly identifiable with respective segments and operating liabilities that result, from operating activities of a segment, but does not include income tax liabilities and financial liabilities.
(iii) Unallocable corporate assets and liabilities represents the assets and liabilities that relate to company as a whole and not allocable to any segment.
- (2) The company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risk and returns and the internal reporting system. The various segments identified by the Company comprised as under.

Name of Segment	: Comprised of
Steel	: Steel Manufacturing and Trading
Others	: DOC, Soyameal, Grains etc.

l) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on timing differences, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent period and quantified using tax rates and laws enacted or substantively enacted as on Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realized.

m) Employee Benefits

(a) Post-employment benefit plans

- i) Defined Contribution plan- Contributions to provident fund and Family Pension fund are accrued in accordance with applicable statute and deposited with appropriate authorities.
- ii) Defined Benefit plan
 - (a) The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in Profit and Loss Account for the year in which they occur.
 - (b) The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in Profit and Loss Account.

(b) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.

n) Excise duty

The Excise duty in respect of closing inventory of finished goods is included as part of inventory.

o) Operating Leases

Lease rental are recognised as an expense on straight line basis over the term of the lease.

p) Impairment of Assets

An asset is treated as impaired when carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

q) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

B. NOTES ON ACCOUNTS	2010-11 Rs. in Lacs	2009-10 Rs. in Lacs
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1. Contingent Liabilities not provided for

a) Outstanding Bank guarantees	-	625.97
b) Disputed liabilities not acknowledged as debts.	6.76	475.45

2. Sundry Creditors includes bills payable for purchases of material Rs. 5505.63 Lacs (previous year Rs. 9103.71 lacs)

3. Preferential issue of Equity Shares :

- a) In order to redeem 1600000 5% Non-cumulative Redeemable Preference Shares, the Company came out with preferential allotment of equity shares to Promoters and other investors during the year, at an issue price calculated in accordance with SEBI (ICDR) Guidelines, 2009.
- b) The Company has allotted 1,10,95,701 Equity Shares of Rs. 10/- each at a premium of Rs. 4.42 per share on 4th Oct., 2010.
- c) The entire proceeds have been utilized for the purpose for which it was raised.

4. Transfer of Steel Division (Manufacturing):

- a) The assets and liabilities of Steel Division (Manufacturing) of the company has been transferred to and vested into RSAL Steel Private Limited, a wholly owned subsidiary company, w.e.f. 30th March, 2011, as a going concern, on slump sale basis for a consideration of Rs. 4751 lakhs. The sale consideration is received by way of allotment of 47,51,000 5% Non-cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up in the wholly owned subsidiary viz. RSAL Steel Private Limited.
- b) The company has transferred its land situated at Village Sejqaya, Ghatabillo, Dist. Dhar (M.P) to its wholly owned subsidiary on 30th March, 2011 for a consideration of Rs. 327.87 lakhs which is received by allotment of 3,27,870 5% Non-cumulative Redeemable Preference Shares of Rs. 100/- each of RSAL Steel Private Limited
- c) The details of assets transferred on slump sale basis and sale of land to wholly owned subsidiary RSAL Steel Private Limited and the consideration are as under:

Particulars	Amount in Rs.lakhs
a. Transfer on slump sale basis	
i. Total Fixed assets	3445.00
ii. Net Current assets	5172.99
Total assets	8617.99
Less: Long term loans from banks	3866.99
Net assets	4751.00
Consideration in lieu of Steel Division transferred	4751.00
b. Transfer of land	327.87
Consideration in lieu of land transferred	327.87

- d) The company has various credit facilities from banks under consortium against charge on fixed and current assets in favour of the lender banks. The company has transferred its Steel Division (Manufacturing) to RSAL Steel Private Limited subject to of consent from all statutory, administrative authorities and lender banks. Consent/approval for aforesaid transfer has been received from all statutory, administrative authorities and lender banks, except for State Bank of India. SBI has conveyed its in principle approval for the transfer and its final approval is awaited.

5. Stamp duty provision on slump sales

The stamp duty payable on slump sales shall be borne by RSAL Steel Private Limited, as per terms of the agreement.

6. Going Concern Basis

The company has transferred its Steel Division (Manufacturing) to its wholly owned subsidiary on going concern basis. The management is of the view that the company will maintain its status as a going concern since it continues to carry on trading activities and the management expects improved performance in the years to come.

7. Remuneration to Auditors :

a) As Audit Fee	0.75	0.75
b) For Certification including Tax Audit	0.76	0.36
c) Out of Pocket Expenses	0.30	0.25

8. Remuneration to Managing & Executive Directors

a) Salary	25.31	17.37
b) Allowances	14.50	8.61
c) Contribution to Provident & other Fund	3.04	2.08
	<hr/> 42.85 <hr/>	<hr/> 28.06 <hr/>

9. Related Party Disclosures:

1. Relationships

(a) Subsidiary Company

RSAL Steel Private Limited

(b) Key Management Personal and relatives

Shri Kailash Chandra Shahra

Shri Umesh Shahra

Shri Arvind Mishra

Chairman

Managing Director

Director (Executive Director upto 30th March, 2011)

(c) Entities where key management personnel or relative of key management personnel have significant influence

Suyash Trust.

Shahra Bros. Pvt. Ltd.

Indian Steel Corporation Limited

NCPL Infralinks Private Limited

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

2. Transaction carried out with related parties referred in 1 above, in ordinary course of business during the existence of related party relationship :

Nature of Transactions	2010-11			2009-10	
	Related Parties			Related Parties	
	Referred in 9(1) (a)	Referred in 9(1) (b)	Referred in 9 (1) (c)	Referred in 9 (1) (a)	Referred in 9 (1) (c)
Sales	12389.40		3721.97		5685.50
Purchases	-		6375.85		7936.19
Expenses					
Remuneration	-	42.85		28.06	-
Rent		1.20	0.60	0.60	0.60
Outstandings					
Receivable	5152.14		-		-
Payable	-		-		3337.33

10. Earning Per Share (EPS)	2010-11	2009-10
(a) Net Profit after tax (Rs. in Lacs)	923.55	324.49
(b) Weighted Average Number of Equity Shares	46208979	31079245
(c) Basic and diluted earning per share (Rs.)	2.00	1.04
(d) Nominal value per ordinary share	Rs. 10	Rs. 10

11. In the opinion of the Board of Directors the current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and provision for known liabilities is adequate and reasonable. There are no contingent liabilities other than those stated herein above.

12. There are no delays in payment to Micro, Small and Medium enterprises as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006. The information given in Schedule L: "Current Liabilities" regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

13. Segment Reporting:

a) Business Segment

Rs. in Lacs

Particulars	Steel Business		Others		Unallocable		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Revenue	92306.05	58627.82	8592.12	8719.39	651.45	152.69	101579.62	67499.90
Segment results (PBIT)	2547.57	1640.09	68.97	375.00	565.03	75.08	3181.57	2090.17
Less : Interest	-	-	-	-	-	-	1526.98	1574.54
Profit before Exceptional/ Extraordinary item.	-	-	-	-	-	-	1654.59	515.63
Profit before Tax	-	-	-	-	-	-	1654.59	515.63
Less:-Current Tax	-	-	-	-	-	-	329.77	15.97
Deferred Tax (Assets)	-	-	-	-	-	-	401.26	175.18
Liabilities	-	-	-	-	-	-	335.04	0.00
Exceptional/Extraordinary item	-	-	-	-	-	-	1258.59	324.56
Profit after tax	-	-	-	-	-	-	8308.61	34628.00
Segment Assets	5454.33	30998.02	2831.49	1516.06	22.79	2113.92	8308.61	34628.00
Segment Liabilities.	5303.95	17108.48	2636.41	1432.88	-	5.44	7940.36	18546.80
Capital Expenditure.	-	19.33	-	-	7.86	27.57	7.86	46.90
Segment Depreciation	325.91	405.90	-	-	18.78	17.84	344.69	423.74
Non Cash expenditure other than depreciation	-	-	-	-	-	0.80	-	0.80

b) Secondary Segment Geographical.

The Company's operating facilities are located in India.

Domestic Revenue

97547.72

63498.00

Export Revenue

4001.91

4001.90

Total

101549.32

67499.90

Note:

(a) Unallocable segment assets exclude the following:-

(i) Investments

5095.87

15.00

(ii) Advance Income Tax

356.03

177.25

(iii) Deferred Tax Assets

575.67

641.90

(b) Unallocable segment liabilities exclude the following:-

(i) Secured Loans

-

7676.11

(ii) Unsecured Loans

250.00

276.82

(iii) Provision for Tax

353.84

55.40

14. Deferred Tax Liability (Net)

	Deferred Tax Assets/(Liability) as at 30.09.2011	Deferred Tax Assets/(Liability) as at 31.03.2010
Deferred Tax Liability :		
Difference between book & Tax Depreciation	-	(335.04)
Deferred Tax Assets :		
Unabsorbed Depreciation	140.08	133.92
Unabsorbed business loss	422.93	821.53
Dis Allowance U/s 43 B	12.66	21.49
	575.67	976.94
	575.67	641.90

15. Exceptional items represents reversal of deferred tax liability pertaining to depreciation, an account of transfer of assets to wholly owned subsidiary.

16. Previous year's figures have been re-grouped and re-arranged wherever necessary. The figures for the current period are for 18 months, hence are not comparable with previous year.

17. Confirmation of loans, advances, deposits, debtors and creditors have been partly received, therefore same has been shown as per books of accounts. Necessary adjustments, if any, will be made on reconciliation of the same.

18. Sundry debtors includes Rs. 5216.75 lakhs (Previous Year Nil) due from RSAL Steel Private Limited, a wholly owned subsidiary company.

19. Disclosure requirements as per AS 15 "Employee Benefits" (Revised 2005)

	2010-11		2009-10	
	Gratuity	Leave Encashment Rs. in Lacs	Gratuity	Leave Encashment Rs. in Lacs
I. Change in Benefit Obligation				
Liability at the beginning of the year	73.46	24.13	75.69	28.36
Interest Cost	9.09	1.99	6.37	2.23
Current Service Cost	11.81	3.19	8.21	3.66
Past Service Cost (Non Vested Benefit)	-	-	-	-
Past Service Cost (Vested Benefit)	-	-	-	-
Liability Transfer in	-	-	-	-
Liability Transfer out	(101.27)	(23.73)	-	-
Benefit Paid	(12.08)	(4.69)	(8.62)	(8.30)
Actuarial (gain)/loss on obligations	28.22	(0.30)	(8.19)	1.83
Liability at the end of the year	9.22	0.59	73.46	24.13
II. Change in Fair value of Plan Assets				
Fair Value of plan Assets at the beginning of the year	49.44	-	42.79	-
Expected Return on plan Assets	5.93	-	4.00	-
Contributions	18.10	4.69	11.51	8.30
Transfer from other company	-	-	-	-
Transfer to other company	(46.73)	(4.69)	(8.62)	(8.30)
Benefit Paid	(12.08)	(4.69)	(8.62)	(8.30)
Actuarial gain/(loss) on Plan Assets	(1.01)	0.30	(0.24)	1.83
Fair Value of Plan Assets at the end of the year	13.66	-	49.44	-
Total Actuarial Gain/(Loss) to be Recognised	-	0.30	-	1.83
III. Amount Recognised in the Balance Sheet				
Liability of the end of the year	9.22	0.58	73.46	24.13
Fair Value of Plan Assets at the end of the year	13.66	-	49.44	-
Difference	4.43	(0.58)	(24.02)	(24.13)
Un recognised Past Service Cost	-	-	-	-
Un recognised Transition Liability	-	-	-	-
Amount Recognised in the Balance Sheet	4.43	(0.58)	(24.02)	(24.13)
IV. Expenses Recognised in Profit and Loss Account				
Current Service Cost	11.81	3.19	8.21	3.66
Interest Cost	9.09	1.99	6.37	2.23
Expected Return on Plan Assets	(5.93)	-	(4.00)	-
Past Service Cost (Non Vested Benefit) Recognised	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	-	-	-	-
Recognition of Transition Liability	-	-	-	-
Actuarial Gain or Loss	29.22	(0.30)	(7.95)	(1.83)
Expense Recognised in P&L	44.19	4.88	2.63	4.06

V. Assets Information

Government of India Assets	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposits Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Other	-	-	-	-
Insurer Managed Funds	13.66	-	49.44	-
Total	13.66	-	49.44	-

VI. Balance Sheet Reconciliation

Opening Net Liability	24.02	24.13	32.90	28.36
Expense as above	44.19	4.88	2.63	4.06
Net transfer in	-	-	-	-
Net transfer out	(54.54)	(23.73)	-	-
Employers Contribution	18.10	4.69	11.51	8.30
Amount Recognised in Balance Sheet	(4.43)	0.58	24.02	24.13

VII. Assumptions :

Discount Rate Previous	8.25%	8.25%	8.00%	8.00%
Rate of Return on Plan Assets Previous	8.00%	-	8.00%	-
Salary Escalation Previous	6.00%	6.00%	6.00%	6.00%
Discount Rate Current	8.50%	8.50%	8.25%	8.25%
Rate of Return on Plan Assets Current	8.00%	-	8.00%	-
Salary Escalation Current	6.00%	6.00%	6.00%	6.00%

20. A. CAPACITY & PRODUCTION

Cold Rolled Strips/Sheets

i) Licensed Capacity (MTs.)	*	N.A.	*	N.A.
ii) Installed Capacity (MTs.)	**	100000.000	**	100000.000
iii) Actual Production (MTs.)	***	94350.361	***	94020.405

* The licensed capacity is not given as the licencing for company's products have been abolished.

** As Certified by the Chartered Engineer

*** Production excludes 886.435 MT reprocess (pre.year 748.810 MT) and includes 1009.515 MT of Job work (prev.year 2811.940 MT)

	2010-11		2009-10	
	Quantity (MT)	Value Rs. in Lacs	Quantity (MT)	Value Rs. in Lacs
B. TURNOVER				
a) Cold Rolled Strips/Sheets*	161090.413	74149.00	141178.731	55529.60
b) Job-Work Processing	-	193.98	-	100.41
c) Waste and Scrap	4279.760	1430.34	-	1439.93
d) H.R.Coil	39538.845	15334.22	8255.540	2232.22
e) DOC	-	-	2805.910	625.11
f) Others	-	13572.08	-	9556.43

* Sales Includes Excess/Shortage and transit loss.

C. STOCK OPENING

Cold Rolled Strips/Sheets	4538.645	1988.62	3034.444	1223.31
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D. STOCK CLOSING

Cold Rolled Strips/Sheets	-	-	4538.645	1988.62
Stock in trade	119.930	43.70	-	-

E. MATERIAL CONSUMED

Hot Rolled Coils	98168.143	32541.78	98414.459	27146.68
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F. PURCHASE OF SEMI PROCESSED GOODS

CRCA	29297.984	14567.90	33841.567	13939.76
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G. PURCHASE OF GOODS TRADED IN

a) Cold Rolled Strips/Sheets	39774.850	16792.44	17632.780	7208.59
b) H.R.Coil	39657.775	14789.60	8255.540	2140.26
c) DOC	-	-	2805.910	621.35
d) Others		13279.91		9171.19

H. VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED

	%	Value	%	Value
a) Raw Material				
Imported	48.00	15620.66	31.14	8454.14
Indigenous	52.00	16921.12	68.86	18692.54
b) Stores & Spares				
Imported	-	-	0.24	2.37
Indigenous	100.00	643.35	99.76	507.85

I. VALUE OF IMPORTS ON CIF BASIS

a) Hot Rolled Coils	10371.92	7889.53
b) Stores	-	2.37
c) Merchandise trade	10046.11	2821.32

J. EXPENDITURE IN FOREIGN CURRENCY

Foreign Travelling	1.15	1.60
Sales Commission	8.37	

K. EARNING IN FOREIGN CURRENCY (FOB Value)

Export of goods	1002.80	1097.97
Merchandise trade	10162.02	2853.55

L. Additional information as required under part IV of the Schedule VI to the Companies Act,1956 is enclosed in the annexure.

Signature to Schedule 'A' to 'S'

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn.No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 30th SEPTEMBER 2011

	CURRENT YEAR Rs. in Lacs	PREVIOUS YEAR Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
a) NET PROFIT BEFORE TAX & EXTRAORDINARY ITEM	1654.59	(515.64)
ADJUSTMENT FOR:		
DEPRECIATION	344.69	423.74
INTEREST	1399.41	1421.86
-PROFIT/+LOSS ON SALE OF FIXED ASSETS	(523.87)	0.80
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2874.82	2362.04
ADJUSTMENT FOR:		
TRADE & OTHER RECEIVABLE	3069.84	1999.05
INVENTORIES	13420.97	(5100.90)
TRADE & OTHER PAYABLE	(10853.93)	2253.99
c) CASH GENERATED FROM OPERATIONS	8511.70	1514.19
DIRECT TAXES PAID	(210.11)	48.77
d) CASH FLOW BEFORE EXTRAORDINARY ITEM	8301.58	1562.97
EXTRAORDINARY ITEM	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	8301.58	1562.97
B CASH FLOW FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	127.57	152.69
SALE OF FIXED ASSETS	3932.20	3.91
ADJUSTMENT FOR SALES CONSIDERATION	(5078.87)	
INVESTMENT IN SUBSIDIARY	(1.00)	
OTHER INVESTMENTS	(1.00)	
PURCHASE OF FIXED ASSETS	(7.86)	(46.89)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1028.96)	109.70
C CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARES	-	2004.95
PROCEED FROM BORROWINGS	(7702.93)	(1116.81)
INTEREST PAID	(1526.98)	(1574.54)
NET CASH FLOW FROM FINANCING ACTIVITIES	(9229.91)	(686.41)
D NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(1957.29)	(986.25)
CASH & CASH EQUIVALENT AT BEGINNING OF THE YEAR	1979.48	993.23
CASH & CASH EQUIVALENT AT END OF THE YEAR	22.19	1979.48

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956
Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	L27100 MH 2003 PLC 142326		
State Code	11	Balance Sheet Date	30/09/2011

II Capital Raised during the year

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	-490.43

III Position of Mobilisation and Deployment of Funds

Total Liabilities	6041.41	Total Assets	6041.41
Sources of Funds			
Paid-up capital	5001.28	Reserves & Surplus	790.13
Secured Loans	-	Unsecured Loans	250.00
Deferred Tax Liability-Net	-		

Application of Funds

Net Fixed Assets	0.60	Investments	5095.87
Net Current Assets	369.27	Miscellaneous Expenditure	NIL
Accumulated Losses	-	Deferred Tax Asset Net	575.67

IV Performance of the Company

Turnover & Other Income	101549.61	Total Expenditure	99895.02
Profit + / Loss - before tax	1654.59	Profit + / Loss - after tax	1258.59
Earning per Share in Rs.	2.00	Dividend Rate %	NIL

V Generic Names of Principal Products/Services of the Company (as per Monetary terms)

Item Code No. (ITC Code)	7209		
Product description	COLD ROLLED COILS/STRIPS/SHEETS		

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

AUDITORS' REPORT

TO

**THE BOARD OF DIRECTORS
RUCHI STRIPS & ALLOYS LIMITED**

We have examined the attached Consolidated Balance Sheet of Ruchi Strips & Alloys Ltd(the Company) and its subsidiary as at 30th September, 2011 ,the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the period ended on that date,annexed thereto in which are incorporated the accounts of the subsidiary audited as at 28th February 2011 and reviewed for the subsequent period up to 30th September 2011 by us. These financial statements are the responsibility of the company's management.Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India.Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis,evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management,as well as evaluating the overall financial statement presentation.We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (AS-21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary,we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 30th September,2011;
- (b) in the case of the Consolidated Profit and Loss Account ,of the consolidated results of operations of the Company and its subsidiary for the period ended on that date;and
- (c) in the case of the Consolidated Cash Flow Statement,of the consolidated cash flows of the Company and its subsidiary for the period ended on that date.

For **ARUN MAHESHWARI & CO,**
Chartered Accountants
(Firm Reg. No. 0870C)

Place: Indore
Date : 18th February, 2012

CA Arun Maheshwari
Proprietor
Membership No. 70354

CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 2011

	Schedule	As at 31.03.2011	
		Rs. in Lacs	Rs. in Lacs
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	A	5001.28	
b) Reserves & Surplus	B	<u>773.40</u>	5,774.68
2. Loan Funds			
a) Secured Loan	C	8,107.59	
b) Unsecured Loan	D	<u>618.14</u>	8,725.73
	TOTAL		<u><u>14,500.41</u></u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	E	10,327.97	
b) Less: Depreciation		<u>6,151.42</u>	
c) Net Block			4,176.55
2. Investments			
	F		16.00
3. Current Assets, Loans and Advances			
a) Inventories	G	11,965.25	
b) Sundry Debtors	H	9,905.37	
c) Cash and Bank Balances	I	2,048.85	
d) Other Current Assets	J	451.94	
e) Loans and Advances	K	<u>1,359.03</u>	
		25,730.44	
4. Less: Current Liabilities and Provisions			
a) Current Liabilities	L	15420.90	
b) Provisions		<u>562.67</u>	
Net Current Assets		<u>15,983.57</u>	9,746.87
5. Deferred Tax Assets-Net			
			560.99
	TOTAL		<u><u>14,500.41</u></u>
Significant Accounting Policies and Notes on Accounts	R		

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 18 MONTHS ENDED 30th SEPTEMBER 2011

	Schedule	2010-2011	
		Rs. in Lacs	Rs. in Lacs
1. INCOME			
Sales and Services	M	116,125.80	
Less: Excise Duty		5,846.65	110,279.15
Other Income	N		524.57
TOTAL			110,803.72
2. EXPENDITURE			
Materials	O		97,940.01
Expenses	P		7,873.73
Financial Charges	Q		2,769.48
Depreciation	E	775.48	
Less: Transferred from revaluation reserve		328.68	446.80
TOTAL			109,030.02
Profit / (Loss) for the year before tax			1,773.70
Provision for taxation			
Current Tax			450.92
Deferred Tax			415.96
Profit/ (Loss) after tax			906.82
Add : Exceptional Items (Note No. C-13 of Schedule R)			335.04
Profit / (Loss) after exceptional items			1241.86
Add: Transfer from Debenture Redemption Reserve			9.17
Add: Balance Brought forward from previous year			(1,086.65)
Amount available for appropriation			164.38
Balance carried to Balance Sheet			164.38
Basic and Diluted Earning Per Share (Note No. C-7) Rs.			1.96
Significant Accounting Policies and Notes on Accounts	R		

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

**SCHEDULE "A" TO "R" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30th SEPTEMBER, 2011 AND
THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30th SEPTEMBER, 2011.**

	As at 30.09.2011	
	Rs. in Lacs	Rs. in Lacs
SCHEDULE :A - SHARE CAPITAL		
Authorised		
5,02,50,000 Equity shares of Rs.10/- each. (Previous year 4,80,00,000)	5025.00	
17,00,000 5% non cumulative redeemable preference share of Rs. 100 each. (Previous year 17,00,000)	1700.00	
		6725.00
Issued and Subscribed		
5,00,29,901 Equity shares of Rs.10/-each (previous year 3,89,34,200 Equity shares)		5002.99
Paid-Up		
4,99,95,701 Equity shares of Rs. 10/- each (Previous year 3,89,00,000 Equity Shares of Rs. 10/- Each)		4999.57
Add : Amount paid on forfeited shares		1.71
		<u>5001.28</u>
*Refer note no. 3 of Schedule R		
SCHEDULE:B - RESERVES AND SURPLUS		
(a) Capital Reserves		10.00
(b) Debenture Redemption Reserves		
Since Last year	9.17	
Transfer to Profit & Loss Account	9.17	-
(c) Share premium account		
Since last year	108.60	
Add: Received during the year	490.42	599.02
(d) Profit and Loss Account Balance		
Since last year	(1,086.65)	
Add : Profit for the year	1,241.86	
Add : Transfer from Debenture redemption reserve	9.17	164.38
(e) Revaluation reserve		
As per last Balance Sheet	4139.10	
Less : Transferred to profit and loss account	4139.10	-
		<u>773.40</u>
SCHEDULE: C - SECURED LOANS		
A. Term loans		
(i) From Banks		
(a) State Bank of India	3,764.84	
(b) Allahbad Bank	1,091.80	4,856.64
B. Working Capital Loans		
From Banks		3,250.95
		<u>8,107.59</u>

NOTES:

- Working Capital Term loans from State bank of India is secured by first pari passu charge over the company's entire fixed assets and second charge over current assets.including finished goods,receivables and other current assets,and personal guarantee of two directors and another.
 - Working capital term loan from State bank of India (Formerly State Bank of Indore) is secured by first pari passu charge over the company's entire fixed assets and personal guarantee of one director and another.
 - Term loan from State Bank of India is secured by first pari passu charge over the company's entire fixed assets and personal guarantee of one director.
 - Term loan from Allahabad Bank is secured by first pari passu charge over the company's entire fixed assets and personal guarantee of two directors.
- Working capital loan facilities from Banks are secured by hypothecation of entire stocks of raw materials, stock in process, finished goods, stores and spares, stock in transit, book debts and second charge by way of mortgage on all immovable properties together with building and other structures thereon and all plant and machineries attached to the earth and personally guaranteed by one director and another.
- Installments of Term Loans due within one year are Rs.651.00 lacs

As at
30.09.2011
Rs. in Lacs Rs. in Lacs

SCHEDULE: D - UNSECURED LOANS

(a) Inter corporate Deposits	588.14
(b) Fixed deposits (Due within next 12 months Rs.30.00 lacs)	30.00
	618.14

SCHEDULE: E- FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK
	As at 01.04.2010	Additions	Adjustments*	Deductions	As at 30.09.2011	Upto 31.03.2010	For the Year**	on Deductions	Upto 30.09.2011	As at 30.09.2011
Freehold land	446.65	-	364.66	38.90	43.09	-	-	-	-	43.09
Buildings	1658.06	-	404.21	24.40	1229.45	464.10	59.48	7.66	515.92	713.53
Plant & Machinery	10789.50	22.10	3041.55	-	7770.05	4679.69	690.98	-	5370.67	2399.38
Furniture & Fixtures	107.14	5.16	-	-	112.30	72.90	4.34	-	77.24	35.06
Office Equipments	175.12	15.27	-	-	190.39	123.46	11.41	-	134.87	55.52
Vehicles	91.98	8.31	-	0.26	100.03	43.45	9.27	-	52.72	47.31
Capital Wip					882.66					882.66
Total	13268.45	50.84	3810.42	63.56	10327.97	5383.60	775.48	7.66	6151.42	4176.55

* Adjustments represents reversal of balance of revaluation reserve, after charging depreciation upto the date of sale of assets.

** Depreciation for the year includes Rs. 328.68 Lakhs transferred to revaluation reserve.

SCHEDULE : F - INVESTMENTS (at cost)

Long Term Investments.

(Other than trade, Unquoted)

1,50,000 Equity Shares of Rs.10 each fully paid in Ruchi Global Limited.

10,000 Equity Shares of NICPL Infralinks Private Limited

15.00

1.00

16.00

SCHEDULE : G - INVENTORIES

[As certified and valued by the management]

(a) Stores, Spares & Packing material	329.78
(b) Raw materials	5,361.00
(c) Work in Progress	1,874.24
(d) Finished Goods	4,277.93
(e) Scrap	78.60
(f) Traded goods (At lower of cost or net realisable value, except scrap valued at net realisable value)	43.70
	11,965.25

	As at 30.09.2011	
	Rs. in Lacs	Rs. in Lacs
SCHEDULE: H - SUNDRY DEBTORS		
(Unsecured, considered good)		
Over six months		-
Other Debts		<u>9,905.37</u>
Refer Note no. C-12 of Schedule R		<u>9,905.37</u>
SCHEDULE: I - CASH AND BANK BALANCES		
Cash on hand		5.22
Balances with Scheduled Banks		
(a) In Current Accounts	317.74	
(b) In Deposit Accounts	<u>1,725.89</u>	<u>2,043.63</u>
		<u>2,048.85</u>
SCHEDULE: J - OTHER CURRENT ASSETS		
(a) Interest Receivable		55.83
(b) Other Receivable		396.11
		<u>451.94</u>
SCHEDULE: K - LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Advances recoverable in cash or in kind or for value to be received.		667.03
(b) Deposit with Govt. Departments		291.18
(c) Advance Income Tax (Including TDS)		400.82
		<u>1,359.03</u>
SCHEDULE: L - CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
(a) Sundry creditors		14,248.79
(b) Customer's credit balances		20.00
(c) Other liabilities		1151.55
(d) Interest accrued but not due on loans		0.56
		<u>15420.90</u>
PROVISIONS		
(a) Provision for employee benefits		87.68
(b) Provision for taxation		474.99
		<u>562.67</u>
SCHEDULE: M- SALES AND SERVICES		
Sales		115,875.16
Job Processing Charges (Gross)		250.64
{Tax deducted at source Rs.3.68 lakhs}		
		<u>116,125.80</u>
SCHEDULE: N - OTHER INCOME		
Insurance claims received		11.98
Miscellaneous Income		78.44
Interest received		194.86
(Tax deducted at source Rs.17.72 lacs)		
Profit on sale of Fixed Assets		<u>239.29</u>
		<u>524.57</u>

As at
30.09.2011
Rs. in Lacs Rs. in Lacs

SCHEDULE: O - MATERIALS

(a) Raw materials consumed		36,987.01
(b) Purchase of Semi processed goods		14,567.90
(c) Purchase of Traded goods		48,480.71

(d) Variation in Stocks

Stock at close:

Finished goods	4,277.93	
Traded goods	43.70	
Work-in-progress	1,874.24	
Scrap	78.60	6,274.47

Less: Stock at commencement

Finished goods	1,988.62	
Work-in-progress	1,861.42	
Scrap	124.54	3,974.58
Add/Less: Increase/decrease in Excise duty on Closing stock of Finished goods		204.28
		<u>(2,095.61)</u>
		<u>97,940.01</u>

SCHEDULE: P - EXPENSES

Power and Fuel		1,823.45
Consumption of Stores, Spares & Packing Materials		964.39
Processing Charges		227.06
Repairs:		
Building	18.72	
Plant and Machineries	28.42	
Others	112.90	160.04
Salaries, Wages and Bonus		1,362.93
Contribution to Provident and Other Funds		51.77
Workmen and Staff Welfare		88.42
Rent		36.87
Rates and Taxes		2.74
Insurance		33.61
Freight and forwarding charges		2,239.96
Export Expenses		190.80
Travelling and Conveyance (Including Rs.4.61 lacs to Directors)		144.92
Exchange fluctuation		149.64
Other Expenses		397.13
		<u>7,873.73</u>

Schedule Q - Financial Charges

Interest:		
On Debentures and Other Fixed Loans	724.46	
Others	1,460.11	2,184.57
Bank Commission & Charges		584.91
		<u>2,769.48</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30th SEPTEMBER 2011 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE.

SCHEDULE:R- ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. BASIS OF CONSOLIDATION

1. The consolidated financial statements of Ruchi Strips and Alloys Limited and its wholly owned subsidiary RSAL Steel Private Limited are prepared under historical cost convention and in accordance with provisions of Companies Act, 1956 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India.
2. The financial statements of the wholly owned subsidiary company used in consolidation is drawn upto the same reporting date as that of the Company.
3. The consolidated financial statements have been prepared on following basis:
 - a. The financial statements of the Company and its wholly owned subsidiary have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.
 - b. Inter company balances, transactions and resulting unrealized profits or losses have been eliminated in full.

B. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

a) Accounting concept

- i) The Company follows the mercantile system of the accounting and recognises income and expenditure on accrual basis.
- ii) Financial statement are based on historical cost convention.

b) Sales

Sales are inclusive of income from services, excise duty, export incentives and net of trade discount and rebates.

c) Fixed Assets

i) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation (except free hold land). Assets which have been revalued are stated at values as per approved valuer's report less depreciation.

ii) Capital Expenditure

Assets under erection/installation and advances given for capital expenditure are shown as "Capital work in progress". Expenditure during construction period is shown as "Pre-operative expenses" to be capitalised on erection/installation of the assets.

d) Depreciation

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

e) Borrowing cost

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

f) Inventories

- i) Inventories are valued at lower of cost or net realisable value on FIFO basis except Goods in transit which is stated at cost and value of Stores, spares, consumables and packing materials are arrived at on Moving Average Price basis.

Cost of inventories generally comprise all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Finished goods lying in the factory premises are valued inclusive of excise duty.

- ii) Scrap at net realisable value.

- iii) Custom Duty.

The liability on account of Custom duty on imported materials in transit or in bonded warehouse is recognised on clearance of the goods from the Customs.

g) Investments.

Long term investments are stated at cost with an appropriate provision for permanent diminution in value.

h) Export incentives/Benefits.

Export incentives or benefits under the Export Import Policy are accounted in the year of exports on accrual basis taking into account certainty of realization and its subsequent utilization.

i) Foreign Currency Transactions

Transaction in Foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Current assets and Current liabilities not covered by forward contract are translated at the year end exchange rate and any gain/loss on account of fluctuation in the rate of exchange is recognised in profit and loss account. Premium / Discount in respect of forward foreign exchange contract is recognised over the life of the contract.

j) Contingent liabilities not provided for are disclosed by way of notes.

k) Segment Accounting

(1) Segment Accounting Policies:-

Accounting policies followed by the company for segment reporting are:

- (a) Segment revenue includes sales and other income directly identifiable with/allocable to segment.
- (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. The expenses, which relate to the company as a whole and not allocable to segment, are included under unallocable expenses..
- (c) Income which relates to the company as a whole and not allocable to segment is included under unallocable income.
- (d) (i) Segment Assets includes those assets directly identifiable with respective segments and employed by a segment in its operating activities, but does not include income tax assets.
- (ii) Segment liabilities includes those liabilities directly identifiable with respective segments and operating liabilities that results, from operating activities of a segment, but does not include income tax liabilities and financial liabilities.
- (iii) Unallocable corporate assets and liabilities represents the assets and liabilities that relate to company as a whole and not allocable to any segment.

(2) The company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risk and returns and the internal reporting system,. The various segments identified by the Company comprised as under.

Name of Segment	:	Comprised of
Steel	:	Steel Manufacturing and Trading
Others	:	DOC, Soyameal, Grains etc.

l) Taxes on Income.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period and quantified using tax rates and laws enacted or substantively enacted as on Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realized.

m) Employee Benefits.

(a) Post-employment benefit plans

- i) Defined Contribution Plan - Contributions to Provident Fund and Family Pension fund are accrued in accordance with applicable statute and deposited with appropriate authorities.
- ii) Defined Benefit Plan
 - a. The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in Profit and Loss Account for the year in which they occur.
 - b. The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in Profit and Loss Account.

(b) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.

n) Excise duty.

The Excise duty in respect of closing inventory of finished goods is included as part of inventory.

o) Operating Leases.

Lease rental are recognised as an expense on straight line basis over the term of the lease.

p) Impairment of Assets.

An asset is treated as impaired when carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

q) Use of Estimates.

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

	2010-2011 Rs in Lacs
C. NOTES ON ACCOUNTS	
1. Contingent Liabilities not provided for	
a) Disputed liabilities not acknowledged as debts.	246.62
b) Estimated amount of contracts remaining to be executed on capital account (net of advance)	1,497.96
2. Sundry Creditors includes bills payable for purchases of material Rs.9241.70 (previous year Rs.9103.71 lacs)	
3. Preferential issue of Equity Shares :	
a) In order to redeem 1600000 5% Non-cumulative Redeemable Preference Shares, the Company came out with preferential allotment of equity shares to Promoters and other investors during the year, at an issue price calculated in accordance with SEBI (ICDR) Guidelines, 2009, duly approved by the Board of Directors and Shareholders of the company.	
b) The Company has allotted 1,10,95,701 Equity Shares of Rs.10/- each at a premium of Rs.4.42 per share on 4th October, 2010	
c) The entire proceeds have been utilized for the purpose for which it was raised.	
4. REMUNERATION TO AUDITORS	
a) As Audit Fee	0.75
b) For Certification including Tax Audit	1.01
c) Out of Pocket expenses	0.30
5. REMUNERATION TO MANAGING & EXECUTIVE DIRECTORS	
a) Salary	27.18
b) Allowances	18.06
c) Contribution to Provident & other Fund	3.26
	48.50
6. Related Party Disclosures:	
1. Relationships	
(a) Subsidiary company	
RSAL Steel Private Limited	
(b) Key Management Personnel and relatives	
Shri Kailash Chandra Shahra	Chairman
Shri Umesh Shahra	Managing Director
Shri. Arvind Mishra	Director
(c) Entities where key management personnel or relative of key management personnel have significant interest	
Suyash Trust.	
Shahra Bros. Pvt. Ltd.	
Indian Steel Corporation Limited	
NICPL Infralinks Private Limited	
Note: Related party relationship is as identified by the Company and relied upon by the Auditors.	

2. Transaction carried out with related parties referred in 1 above, in ordinary course of business during the existence of related party relationship:

Nature of Transactions	2010-2011		
	Related Parties		
	Referred in 6 (1)(a)	Referred in 6 (1)(b)	Referred in 6 (1)(c)
Sales		-	3,924.82
Purchases		-	9,207.83
Expenses			
Remuneration	-	48.50	
Rent		1.80	0.90
Outstandings			
Receivable	-		-
Payable	-		2,269.95

2010-2011

7. Earning Per Share (EPS)
- | | |
|---|-------------------|
| (a) Net Profit after tax . (Rs. in Lacs) | 906.82 |
| (b) Weighted Average Number of Equity Shares | 46,208,979 |
| (c) Basic and diluted earning per share (Rs.) | 1.96 |
| (d) Nominal value per ordinary share | Rs.10 |
8. In the opinion of the Board of Directors the current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and provision for known liabilities is adequate and reasonable. There are no contingent liabilities other than those stated herein above.
9. There are no delays in payment to Micro, Small and Medium enterprises as required to be disclosed under Micro, Small And Medium Enterprises Development Act, 2006. The information given in Schedule L: "Current Liabilities" regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
10. Deferred Tax Asset/Liability (Net)

**Deferred Tax
Assets/(Liability)
as at 30.09.2011**

Deferred Tax Liability :	
Difference between book & Tax Depreciation	(14.69)
Deferred Tax Assets :	
Unabsorbed Depreciation	140.08
Unabsorbed business loss	422.93
Dis Allowance U/s 43 B	12.66
	575.67
	560.98

11. This being the first year, previous years figures are not given for consolidated results.
12. Confirmation of loans, advances, deposits, debtors and creditors have been partly received, therefore same has been shown as per books of accounts. Necessary adjustments, if any, will be made on reconciliation of the same.
13. Exceptional items represents reversal of deferred tax liability pertaining to depreciation, on account of transfer of assets to wholly owned subsidiary.

14. Financial and Derivative Instruments

Foreign currency exposure which are not hedged as at Balance Sheet date

Currency	Payable	Receivable	Net
USD	10401013.10		10,401,013.10

Signature to schedule "A" to "R"

Schedules referred to above form an integral part of accounts.
As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th SEPTEMBER 2011

	CURRENT YEAR Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES	
a) NET PROFIT BEFORE TAX & EXTRAORDINARY ITEM	1773.70
ADJUSTMENT FOR:	
DEPRECIATION	446.80
INTEREST	1989.71
-PROFIT/+LOSS ON SALE OF FIXED ASSETS	(239.29)
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3970.93
ADJUSTMENT FOR:	
TRADE & OTHER RECEIVABLE	(16.52)
INVENTORIES	1499.42
TRADE & OTHER PAYABLE	(3273.32)
c) CASH GENERATED FROM OPERATIONS	2180.51
DIRECT TAXES PAID	(254.90)
d) CASH FLOW BEFORE EXTRAORDINARY ITEM	1925.61
EXTRAORDINARY ITEM	-
NET CASH FLOW FROM OPERATING ACTIVITIES	1925.61
B CASH FLOW FROM INVESTING ACTIVITIES	
INTEREST RECEIVED	194.86
SALE OF FIXED ASSETS	295.19
OTHER INVESTMENTS	(1.00)
PURCHASE OF FIXED ASSETS	(933.44)
NET CASH FLOW FROM INVESTING ACTIVITIES	(444.44)
C CASH FLOW FROM FINANCING ACTIVITIES	
PROCEEDS FROM ISSUE OF SHARES	-
PROCEED FROM BORROWINGS	772.79
INTEREST PAID	(2184.57)
NET CASH FLOW FROM FINANCING ACTIVITIES	(1411.78)
D NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	69.37
CASH & CASH EQUIVALENT AT BEGINNING OF THE YEAR	1979.48
CASH & CASH EQUIVALENT AT END OF THE YEAR	2048.85

As per our report of even date annexed

For and on behalf of the Board of Directors

For **ARUN MAHESHWARI & CO.**
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
Proprietor
Membership No. 70354
(Firm Regn. No. 870 C)

CS Vinay Gupta
Company Secretary

Umesh Shahra
Managing Director

Indore : 18th February, 2012

Indore : 18th February, 2012

**STATEMENT UNDER SECTION 212(8) RELATING TO SUBSIDIARY COMPANY PURSUANT
TO GENERAL CIRCULAR NO.2/2011 DATED FEBRUARY 8. 2011 FORMING PART OF SCHEDULE R**

Name of Subsidiary Company	:	RSAL Steel Private Limited
Relation	:	Wholly owned subsidiary
Date from which it is subsidiary	:	29/12/2010
Capital	:	5,079.87
Reserves	:	268.06
Total Assets	:	26,692.24
Total Liabilities (Excluding Capital and Reserves)	:	21,344.31
Investments (Other than in subsidiary companies)	:	NIL
Turnover	:	23,940.73
Profit before taxation	:	403.90
Provision for taxation	:	135.84
Profit after taxation	:	268.06
Proposed Dividend	:	NIL